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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

*Tanzania: A Comparison of Western
and Communist Economic Aid Programs*

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
22 January 1968

INTELLIGENCE MEMORANDUM

Tanzania: A Comparison of Western
and Communist Economic Aid Programs

Summary

From independence in 1961 to the end of 1967, Tanzania received some \$340 million in foreign economic assistance commitments* -- about \$280 million from Western countries and international organizations and some \$60 million from the Communist world. A large portion of the Western aid was committed during the first years of independence. In recent years the flow of aid has decreased, and with it prospects for economic development, which were never especially bright.

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Foreign aid is of basic importance to Tanzanian economic development largely because the country's capability to provide development funds from its own resources is so limited. Nevertheless, Tanzanian President Nyerere has taken actions against key Western aid donor nations that have resulted in a

* The term commitment, used throughout this memorandum for both Western and Communist programs, refers to foreign aid when it has been allocated to specific end uses. This definition is synonymous with the term obligation as used in the EIC-R14 series, Aid and Trade Activities of Communist Countries in Less Developed Areas of the Free World.

** Combined military aid from Western and Communist countries since independence has totaled some \$20 million.

Note: This memorandum was produced by CIA. It was prepared by the Office of Economic Research and was coordinated with the Office of Current Intelligence.

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clear-cut phasing out of their aid programs. This marked reduction in Western aid has substantially undercut the goals of the five-year plan.

There have been no new aid commitments from the United Kingdom, Tanzania's chief benefactor, since 1965, when President Nyerere severed relations with London over the Rhodesian UDI issue. West Germany, another major aid donor, also has substantially decreased its aid commitments since 1965 -- following a dispute with Tanzania over the question of East German consular representation in Dar es Salaam. The loss of UK and West German aid has not yet been fully felt, since both countries have continued to disburse aid funds under old commitments. Now, however, the funds are nearly exhausted.

Communist aid, mainly from the Chinese, has been received since 1964 and has partially offset the loss of Western aid, at least in money terms. Its impact, however, has been quite different. Although Communist aid is useful, it has not been a substitute for lost Western aid, because of a basic difference in approach. Communist assistance has been limited and specialized, consisting of a few, large, self-contained projects. On the other hand, Western aid has been diffused throughout much of the economy through a multiplicity of small-scale, widely scattered projects aimed largely at assisting the rural African (see Figure 2). Moreover, the Communists have given about one-fifth of their assistance to Zanzibar although it has less than 3 percent of Tanzania's total population.

At best, combined commitments of Western and Communist aid over the next few years will probably only match the level of the past few. As a result, Tanzanian development is likely to be both slow and difficult, particularly since Tanzania can only raise small sums internally. Over the longer run, prospects for increased foreign aid -- either from the Western or Communist countries -- are dim, with the possible exception of the proposed Tanzania-to-Zambia railroad, which is designed primarily to connect the Zambian copperbelt with the Tanzanian port of Dar es Salaam. Resources and population are sparse in the Tanzanian hinterland through which the line would run, and its construction would thus contribute relatively little to overall economic development.

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~~SECRET~~Background

1. Tanzania has been trying to raise living standards and develop a viable economy since it became independent in December 1961. The job is immense. The country has limited natural resources and a paucity of manpower skills. Most of the population are engaged in producing the bare essentials of life for their own consumption through primitive agricultural and herding techniques. Tanzania's geographic setting further inhibits potential growth. The only important natural resource, productive agricultural land, is scattered along the country's periphery, while most of the center is arid and thinly populated. The great distances between the agricultural areas have hampered national development because of high transport costs and small markets. Altogether, Tanzania's potential, although very limited, is neither much worse nor much better than most Sub-Saharan countries which lack significant mineral and human resources.

2. The first six years of independence saw a continuation of the slow but steady economic progress that had taken place since 1950. This modest growth reflected successful UK efforts to increase the number of African farmers producing cash crops. The United Kingdom supplied agriculturists and administrators, developed widespread extension services, and improved the marketing system, all of which resulted in increased output of such export crops as cotton and coffee. Between 1961 and 1966 the combined exports of these two commodities more than doubled. Also contributing to growth was assistance for upgrading transport, health, and education. The development of manufacturing industries has received greater emphasis in the post-independence period than in the colonial period, and there has been a relatively rapid increase in output. Although industrial output is likely to grow, its share of GNP will remain below 10 percent for many years. Tanzania's industrial output is quite small and consists largely of processed agricultural goods and such light consumer goods as cotton textiles. The development of a large manufacturing sector is hampered by limited domestic skills and markets and by the fact that neighboring countries are producing similar types of goods.

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3. Like many other newly independent countries, Tanzania expected a much more rapid growth than it actually experienced. To speed up the development process, an ambitious five-year plan was launched in 1964. The plan envisaged government spending averaging \$84 million a year. Dar es Salaam hoped that some \$60 million of its expenditures would be provided by foreign assistance, with the remainder raised locally through higher taxes and sales of government bonds.

4. Dar es Salaam, however, failed to obtain the very rapid increase in foreign aid it hoped for. When the five-year plan was initiated, only about half of the financing had been obtained, and since then few new aid commitments have been received. Moreover, some of the aid which had been expected was lost by Nyerere's own actions. Following his break in diplomatic relations with the United Kingdom over the Rhodesian issue in 1965, the flow of aid from the United Kingdom was reduced. Hitherto, the United Kingdom had been the dominant source of foreign funds. Foreign assistance from West Germany, another major donor, also declined when relations between the two governments became strained in 1965 over Nyerere's approach to the question of East Germany's diplomatic status in Dar es Salaam. Furthermore, aid from Communist countries never reached the dimensions that the Tanzanian government anticipated.

5. When it became clear that aid would not reach levels envisaged by the five-year plan, Dar es Salaam was forced to accommodate to a much lower level of development spending because its own limited resources could not make up the difference. Although many new taxes were introduced, the government thus far has been unable to raise sufficient funds to fulfill its own financial commitments to the plan. Economic development has been slowed further by the deterioration of the UK-established agricultural system as a result of the replacement of UK nationals by Tanzanians who lack experience and training and who are inclined to use their position for political gains and for illegal financial rewards.

6. As the development effort failed to meet expectations, Nyerere's frustrations mounted, and much of the blame for Tanzania's economic malaise was laid to the actions of foreign aid donors. In February 1967, Nyerere indicated in an important

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policy speech that development could no longer be predicated on uncertain foreign assistance and that henceforth Tanzanians would have to assume most of the development burden. At first the statement was generally construed to mean that foreign aid would be of little importance, but Nyerere has since attempted to dispel this belief by indicating that foreign aid would still play a prominent role in development and would even be solicited.

Foreign Assistance from Western Sources

7. Although Nyerere has denigrated aid donors, Tanzania has benefited from the considerable aid it has received. Western countries and international organizations have supplied more than four-fifths of this assistance since 1961, or about \$278 million. For the most part, the Western aid programs have consisted of numerous small undertakings scattered throughout the country. The large projects, of which there are only a few, have amounted to about \$2 million to \$3 million each. Although the aid projects have for the most part been undramatic, they have led to a gradual improvement in the well-being of large numbers of Tanzanians. The farmers have been helped by the many projects, which have provided improved irrigation, marketing, transport, and credit facilities, and a large portion of the populace has experienced better education and medical services. The cities also benefited from new housing and improved water systems. The key element in this highly dispersed form of aid has been the supply of white expatriate technicians who not only have assisted in maintaining the pre-independence infrastructure but also have fostered its expansion. A major exception to this general type of aid program has been the \$24 million worth of agricultural commodities received from the United States. This food was given principally to supplement inadequate diets and not to assist directly the country's economic development.

8. The United Kingdom has been the major source, committing roughly \$120 million in aid (see Table 1). UK assistance, however, declined rapidly after the 1965 break in diplomatic relations. While no new commitments have been made, funds have continued to flow under earlier agreements, but at a declining rate. In 1967, UK disbursements are expected to be only about \$8 million, compared with \$31 million in 1963 as shown in the following tabulation:

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Million US \$

<u>Year</u>	<u>Technical Assistance Grants</u>	<u>Other Grants</u>	<u>Loans</u>	<u>Total</u>
1961	7.5	4.5		12.0
1962	6.9	6.0	6.6	19.5
1963	7.2	16.6	7.2	31.0
1964	9.2	3.6	8.2	21.0
1965	7.0	0.4	6.9	14.3
1966	5.2	2.4	4.1	11.7
1967 (estimated)	4.0	2.0	2.3	8.3
<i>Total</i>	<i>47.0</i>	<i>35.5</i>	<i>35.3</i>	<i>117.8</i>

Aside from a \$2.8 million loan to finance a dam at Nyumba Ya Munga, most UK aid has been for small widely dispersed projects. A large portion of the aid was to pay salaries of UK citizens who had served in the colonial government and who stayed on after independence to run essential government services.

9. Aid from other important Western donors, the United States and West Germany, has also declined over the last few years (see Tables 2 and 3). Since aid was curtailed in 1965, Bonn's only new aid has been a \$1.3 million grant for hospital construction, and most of the total West German commitment of \$20 million has been disbursed. US aid, amounting to \$57 million through June 1967, has dropped from about \$12 million annually during the first two post-independence years to about \$6 million annually for the last two years. Aid in the earlier years was higher because many of the development loans were signed then and because of the relatively large amounts of food given to offset crop losses caused by drought. About 43 percent of total US aid was in the form of agricultural commodities used for drought relief and for distribution by church and UN humanitarian organizations. About one-third of the aid was devoted to supplying technical assistance and training and the remaining one-fourth was development loans mainly for the improvement of education, roads, and urban water supplies. Other bilateral Western assistance from 1961 through 1967, totaling about \$19 million, was largely from Canada, Israel, Japan, Sweden, and Zambia (see Table 4). Except for a \$2.4 million Israeli loan to build a hotel in Dar es Salaam, most of the aid has been for infrastructure or for agricultural projects.

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10. Aid from international organizations has partly offset the decline in bilateral Western assistance. Almost all the \$62 million in aid from this source has been committed since 1964 -- about a third in 1967 alone (see Table 5). The World Bank and its affiliates have loaned Tanzania \$30.7 million for upgrading roads, schools, agriculture, and the electric power system, while UN agencies have granted \$11.5 million, principally for feasibility studies and general technical assistance. The Nordic Council, composed of Norway, Sweden, Finland, and Denmark, has committed \$19.7 million to Tanzania. Most of the funds are being used to finance a Nordic Center, consisting of a farm institute, a medical center, and a secondary school about 25 miles from Dar es Salaam. The Nordic Center began operations in 1964. In 1967 the Nordic Council agreed to provide \$2.8 million per year for the next five years to expand the present Center, to build a new one in southern Tanzania, and to pay for the operations of both.

Communist Aid

11. Aid from Communist countries has come mostly since 1965 and has been of sufficient magnitude to replace roughly two-thirds of the decline in Western commitments. For the most part, the Communist aid, however, has not been a direct substitute, because it has generally favored industrial undertakings and large-scale agricultural schemes. About one-half of the Communist commitment of about \$58 million is to be spent on two projects, a textile mill and a dam principally for irrigation purposes (see Tables 6 and 7). As a consequence of this form of assistance, the Communist countries have derived much more favorable propaganda per aid dollar than the West. To the Tanzanians, the relatively large projects which characterize Communist assistance are symbolically more meaningful than the small but numerous Western projects.

12. Mainland Tanzania (excluding Zanzibar) has so far received few economic benefits from the Communist aid program. Of the total commitments to mainland Tanzania of \$47 million, few major projects have been started, and only a number of minor ones have been completed. The Chinese, who are by far the major Communist aid donors to mainland Tanzania with commitments of \$40 million, have only one of their major projects under construction, the textile mill.

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13. There has been no indication of initiating the \$14 million Ruvu Dam. The only important project completed has been the external Radio Tanzania transmitting station, which has propaganda value but little economic importance. So far, the most pertinent assistance to economic development actually received has been about \$10 million financial support given by Peking in the form of cash and commodities.

14. The only important Chinese project soon to be completed is the textile mill. It is to begin production in 1968. When fully operational, the mill will account for one-fourth of Tanzanian textile output and will allow the country to reduce its imports by several million dollars a year. Moreover, the plant will employ about 2,000 persons, 50 percent more than a mill of similar size now being built in Tanzania by a French firm. Whether this labor-intensive Chinese-built plant can compete with other local mills or will require a government subsidy is still very uncertain.

15. Recently the Chinese have attracted considerable attention for their proposals to build the Tanzania-to-Zambia railroad. Peking has indicated that, starting in early 1968, Chinese technicians will prepare an engineering survey of the route and upon completion in about 18 months will decide whether or not to finance this regional project. If the offer is followed through, as now seems likely, it would easily be the largest foreign assistance outlay in both Tanzania and Zambia and would be Communist China's largest undertaking in the less developed countries.

16. Other Communist countries also have promised aid to mainland Tanzania, but little progress has been made in implementing programs. The Soviet Union agreed to supply \$20 million in credits in 1966, but so far only about \$5.5 million has been committed to specific tasks. Moreover, few programs have actually been initiated. Moscow has said it will consider projects, including a cement plant and a hydroelectric power station, after economic feasibility studies are completed. Yugoslavia signed an agreement in March 1963 promising \$10 million in credits, but only \$2 million has been committed to projects thus far. Czechoslovakia, Poland, Bulgaria, Cuba, and North Korea have donated small quantities of equipment, but none has made any long-term commitments.

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17. Aid to Zanzibar is a special case. Although in April 1964, Zanzibar joined with Tanganyika to form the United Republic of Tanzania, the islands still have their own development plan and carry out part of their foreign aid negotiations directly with foreign powers. These dealings have been almost entirely with Communist countries since the January 1964 revolution which threw out the ruling sultan. The Communists not only have provided development aid but also have supplied technicians to operate the islands' essential services -- a function previously performed by UK and other Commonwealth citizens.

18. The \$11 million committed by Communist countries to Zanzibar is relatively high. Per capita Communist aid to the 300,000 Zanzibaris is nine times the like figure for mainland Tanzania. China and East Germany have been the major Communist aid donors, both vying for a leading role on the islands. The Chinese have undertaken a shoe factory and an irrigation scheme and have provided commodities, committing about \$6 million. A \$1.4 million housing scheme is East Germany's largest project. East German aid promised to Zanzibar totals \$7 million, of which about \$5 million has been committed.

19. Zanzibar has become a very small replica of Nkrumah's Ghana or Toure's Guinea. The revolutionary council controlling the government has attempted, with Communist assistance, to nationalize the economy's important sectors. This has led to chaos in the commercial sector and to general deterioration of the economy. While the Chinese aid program has been somewhat more successful than the East German one, neither has made much headway, and their impact on the Zanzibar economy has been marginal. This lack of impact is mainly attributable to the severely limited human and natural resources of the islands, rather than to the nature of the Communist aid. The most important contribution of the Communist countries has been keeping major economic and social services functioning.

Prospects

20. It seems unlikely that the loss of British assistance will be made up by increased aid from other Western countries or from international organizations. Moreover, even if the United Kingdom resumed diplomatic relations and made new commitments, these probably would be well below past levels.

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21. Communist aid, especially from China, could increase. Sino-Tanzanian relations are extremely cordial. For its part the USSR might even go ahead with some of the long-delayed projects. On balance, however, even with increased Western and Communist aid, the best the Tanzanians can hope for is that this will replace the declining British aid disbursements for the next few years. Even if Communist and non-Communist aid were to increase sharply, there would be only a gradual improvement in the economy because the country's very minimal natural and human resources will severely limit development for many years.

22. A final Chinese commitment to build the Tan-Zam railroad will not come before mid-1969, at which time the Chinese plan to have finished their study. Substantial disbursements would not occur until 1970 at the earliest. Even after being completed sometime beyond 1975, this regional project would add little to the Tanzanian economy in relationship to its cost. The major gain would be revenues derived from handling Zambian foreign trade shipments. The stimulation to the Tanzanian rural regions near the railroad is not likely to be much greater than if the present road net through the area were somewhat upgraded. The major stumbling block to the agricultural development of southern Tanzania is not transport but limited human resources. Although there are some known low-quality but relatively large mineral deposits near the proposed rail line in southwest Tanzania, they **have** been judged to be economically unfeasible to exploit even with lower transport cost.

23. On Zanzibar the Communists are likely to continue to be the principal aid donors. Aid will probably continue at the present level for the near future, and the Zanzibar economy will continue to stagnate. Over the longer run the Communist states may well become discouraged with the limited progress. Their interest in further aid to Zanzibar, however, will most likely depend more on political factors such as competition between the Chinese and East Europeans or the degree to which the islands are used as a springboard for African liberation groups than on economic factors.

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Table 1

Commitments of Aid by the United Kingdom to Tanzania
1961-67

<u>Year</u>	<u>Type</u>	<u>Amount</u> (<u>Million US \$</u>)	<u>Purpose</u> ^{a/}
1961	Loan	25.2	Compensation and pension payments for expatriates
	Grant	24.9	Development projects
1963	Loan	5.6	Development projects
1964	Loan	7.7	Development projects
	Loan	1.1	Zanzibar compensation
	Grant	1.6	Zanzibar budgetary support
1965	Loan	2.1	Development projects
1961-65	Grant	47.0	Technical assistance
	Grant	5.0	Development projects
<i>Total</i>		120.2	

a. Specific project data for the UK commitments are unavailable, but its projects are numerous and likewise small in proportion to the higher cost projects of other countries.

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Table 2

Commitments of Aid by the United States to Tanzania
1961-67

<u>Year</u> ^{a/}	<u>Type</u>	<u>Amount</u> (Million US \$)	<u>Purpose</u>
1961	Loan	1.9	Mwanza-Musoma road
	Grant	1.7	Food for Freedom (PL-490)
	Grant	0.6	Technical assistance and other grants
1962	Grant	2.8	Technical assistance and other grants
	Grant	9.3	Food for Freedom
1963	Loan	2.2	Dar es Salaam water supplies
	Loan	1.3	Urban water supplies
	Loan	0.8	University College Phase I
	Loan	0.8	Teacher training college
	Loan	0.3	Community development training center
	Loan	1.3	Agriculture college
	Loan	1.0	Program loan
	Grant	2.1	Technical assistance and other grants
	Grant	3.1	Food for Freedom
1964	Loan	1.0	Culverting
	Loan	2.0	Bunda-Nansio road
	Grant	3.6	Technical assistance and other grants
	Grant	1.6	Food for Freedom
1965	Loan	0.2	Tengeru development training center
	Grant	4.3	Technical assistance and other grants
	Grant	2.1	Food for Freedom
1966	Grant	3.2	Technical assistance and other grants
	Grant	3.1	Food for Freedom

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Table 2

Commitments of Aid by the United States to Tanzania
1961-67
(Continued)

<u>Year a/</u>	<u>Type</u>	<u>Amount</u> (<u>Million US \$</u>)	<u>Purpose</u>
1967	Grant	3.2	Food for Freedom
	Loan	0.9	Tanzanian National Park
	Grant	2.3	Technical assistance and other grants
<i>Total</i>		56.7	

a. Fiscal year, 1 July - 30 June.

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Table 3

Commitments of Aid by West Germany to Tanzania
1961-67

<u>Year</u>	<u>Type</u>	<u>Amount (Million US \$)</u>	<u>Purpose</u>
1961-65	Grant	7.4	Technical assistance including cost of German experts and donations of necessary equipment
1962	Loan	2.3	Construction of the Mikumi-Kidatu Railway
	Loan	1.4	Capital participation in the Tanganyika Development Finance Company
1963	Grant	1.0	Expenditures for agricultural advisors
	Loan	4.1	Agriculture and irrigation
1964	Loan	2.5	Slum clearance and low-cost housing in Dar es Salaam
1965 Aid curtailed due to West German-Tanzanian diplomatic impasse over East German status in Dar es Salaam.			
1967	Grant	1.3	Construction of hospital and medical center at Mwanza
Total		20.0	

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Table 4

Commitments of Aid by Other Western Countries to Tanzania
1961-67

<u>Year</u>	<u>Type</u>	<u>Amount</u> <u>(Million US \$)</u>	<u>Purpose</u>
<u>Canada</u>			
1964	Loan	2.8	Housing
1966	Loan	0.4	Development of Dar es Salaam
1967	Loan	1.0	Electric power lines
<i>Subtotal</i>		4.2	
<u>Denmark</u>			
1966	Grant	0.1	Library aid
1967	Grant	0.4	Expansion of Dar es Salaam University College
<i>Subtotal</i>		0.5	
<u>Israel</u>			
1963	Loan	2.4	Kilimanjaro Hotel
1965	Loan	1.7	Irrigation schemes in Lake Victoria area
<i>Subtotal</i>		4.1	
<u>Japan</u>			
1967	Loan	2.7	Cashew nut industry
<u>Netherlands</u>			
1965	Grant	0.3	Pre-investment survey of the Kilombero Valley
	Grant	0.2	Experts for fish processing
	Grant	0.7	Extension of Agricultural College, Morogoro
1967	Grant	0.5	Construction of hospital, Mwanza
<i>Subtotal</i>		1.7	

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Table 4

Commitments of Aid by Other Western Countries to Tanzania
1961-67
(Continued)

<u>Year</u>	<u>Type</u>	<u>Amount</u> <u>(Million US \$)</u>	<u>Purpose</u>
Sweden			
1965	Loan	1.3	Rural water development
	Loan	0.4	Construction at International Cooperative College at Moshi
1966	Loan	0.3	Water pipeline in Iringa
<i>Subtotal</i>		<i>2.0</i>	
Switzerland			
1965	Loan	1.0	Nonproject
Zambia			
1966	Loan	2.1	Harbor construction
Other			
N.A.	Grant	1.0	
<i>Total</i>		<i>19.3</i>	

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Table 5

Commitments of Aid by International Organizations to Tanzania
1961-67

Year	Type	Amount (Million US \$)	Purpose
United Nations			
1964	Grant	1.2	Survey and plan for irrigation development in the Pangani and Wami River Basins
1965	Grant	0.6	Mineral exploration of Lake Victoria
	Grant	0.9	National Institute for Productivity
	Grant	1.0	Teacher training for secondary school science teachers
N.A.	Grant	0.5	Industrial studies
N.A.	Grant	0.5	College of wildlife management
N.A.	Grant	0.9	South Highlands sheep raising project
N.A.	Grant	0.7	Forest industries development planning
N.A.	Grant	1.0	Work-oriented adult literacy project
1964-67	Grant	4.2	Technical assistance and other grants
<i>Subtotal</i>		11.5	
World Bank Affiliates			
1964	Loan	1.9	Kilombero Sugar Company, Ltd.
	Loan	4.6	Secondary education
	Loan	14.0	Highway construction
1966	Loan	5.0	Agricultural development
1967	Loan	5.2	Tanganyika Electric Supply Company, Ltd.
<i>Subtotal</i>		30.7	

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Table 5

Commitments of Aid by International Organizations to Tanzania
 1961-67
 (Continued)

<u>Year</u>	<u>Type</u>	<u>Amount</u> <u>(Million US \$)</u>	<u>Purpose</u>
<u>Nordic Council</u>			
1963	Grant	2.0	Construction of Nordic Center at Kibaha
1966	Grant	2.7	Aid for agricultural school
1967	Loan	15.0	Water projects and Nordic Center
<i>Subtotal</i>		<i>19.7</i>	
<i>Total</i>		<i>61.9</i>	

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Table 6

Commitments of Aid by Communist China to Tanzania a/
1964-67

<u>Year</u> <u>b/</u>	<u>Type</u>	<u>Total Aid Available (Million US \$)</u>	<u>Amount Committed (Million US \$)</u>	<u>Purpose</u>
<u>Tanzania Mainland</u>				
1964	Grant	3.0	1.5	Foreign exchange for budget support
			1.5	Commodities to generate local currency
	Credit	28.0	0.8	Agricultural implements factory
			8.4	Cotton textile mill
			2.8	Housing for mill workers
			1.1	Ruvu experimental state farm
			14.0	Ruvu dam
			0.6	Radio transmitters
	Grant	0.6	0.6	Radio transmitters
	Grant	0.2	0.2	Busses and tractors
1966	Grant	0.1	0.1	Buildings at Dar es Salaam University College
	Grant	0.3	0.3	Agricultural settlements near Mozambique border
	Credit	5.6	5.6	Foreign exchange for development projects
	Credit	2.1	2.1	Joint shipping company
<i>Subtotal</i>		39.9	39.6	

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Table 6

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Commitments of Aid by Communist China to Tanzania
 1964-67
 (Continued)

Year ^{b/}	Type	Total Aid Available (Million US \$)	Amount Committed (Million US \$)	Purpose
Zanzibar				
1964	Grant	0.5	0.5	Budgetary support
	Credit	14.0	0.6	Rice irrigation scheme and state farm
			0.5	Agricultural equipment and repair facility
			1.1	Commodities to generate local currency
			0.5	Shoe factory
			2.8	Foreign exchange capital for government bank and budgetary support
			0.1	Printing press
<i>Subtotal</i>		14.5	6.1	
<i>Total</i>		54.4	45.7	

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b. The year refers to the date the aid is extended and may differ from the date it is committed.

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Table 7

Commitments of Aid by Other Communist Countries to Tanzania a/
1961-67

<u>Year ^{b/}</u>	<u>Type</u>	<u>Total Aid Available (Million US \$)</u>	<u>Amount Committed (Million US \$)</u>	<u>Purpose</u>
<u>East Germany (to Zanzibar)</u>				
1964	Credit	3.6	0.1	Copra oil mill
			0.1	Rice mills
			0.2	Dairies
			1.0	Fishing industry
			0.7	Canning industry
			0.1	Building industry
	Grant	1.7	equipment	
			1.4	Apartment houses
			0.3	Consumer goods, medical equipment, and photo lab
1965	Credit	1.4	1.4	Commodities to generate local currency
<i>Subtotal</i>		6.7	5.3	
<u>Soviet Union</u>				
1966	Credit	20.0	0.3	Ice-making plants
			0.3	Geologists for mineral surveys
			0.1	Veterinary centers
			0.9	Fishing equipment
			3.3	Commodities
			0.1	Fish drying plant
			0.3	Feasibility studies
			0.2	Electric generators
<i>Subtotal</i>		20.0	5.5	

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Table 7

Commitments of Aid by Other Communist Countries to Tanzania
 1961-67
 (Continued)

<u>Year</u> <u>b/</u>	<u>Type</u>	<u>Total Aid Available</u> (Million US \$)	<u>Amount Committed</u> (Million US \$)	<u>Purpose</u>
<u>Yugoslavia</u>				
1963	Credit	10.0	1.3	Edible oil and food processing factories
			0.7	Tractor assembly plant (project abandoned)
<i>Subtotal</i>		<i>10.0</i>	<i>2.0</i>	
<i>Total</i>		<i>36.7</i>	<i>12.8</i>	

b. The year refers to the date the aid is extended and may differ from the date it is committed.

SECRET